

- **Federal Funding Overview**
House Transit Commission

- **Atlanta, Georgia**
- **October 10, 2017**

•Funding

- **Highway Trust Fund (HTF) relies on 18.4 cent gasoline tax of which 2.86 cents are deposited into the Mass Transit Account (MTA)**
 - **Starting in 2008, Congress has transferred monies from General Fund (GF) to the HTF to sustain spending levels**
- **Highway programs funded entirely from HTF**
- **Mass Transit funded by a combination of funds from MTA and the GF**
 - **Formula programs funded from MTA**
 - **Capital Investment Grants, Federal Transit Administration (FTA) administration and research programs funded from GF**

•FAST Act Overview

- **Fixing America's Surface Transportation (FAST) Act authorizes funding for highways, transit and the safety programs**
 - **Five year bill that expires September 30, 2020**
 - **Relies on transfer of \$55 billion of General Funds (GF) to the Highway Trust Fund (HTF)**
- **Funding gap in Fiscal Year 2021 is \$100 billion to sustain current spending**
 - **Options: increase in the gasoline tax, adoption of vehicle miles travelled fee or other revenue sources**

•Appropriations

- **Congress must approve annual spending bills**
- **Since passage of FAST Act, Congress has funded the formula programs at the authorized levels**
- **The General Fund programs are vulnerable to cuts as a result of overall efforts to reduce federal domestic spending**
- **Once spending is passed by Congress, monies are apportioned to the different programs by Federal Highway Administration and the Federal Transit Administration**

•Key Transit Terms

- **Designated Grant Recipient**
 - Entity designated, in accordance with the planning process, by Governor, local officials and transit operators to receive and apportion federal transit monies, or
 - State or regional authority
- **Direct Recipient/Eligible Recipient**
 - Entity that operates fixed route bus service and authorized by designated grant recipient to receive formula funds, or any entity that receives funds under section 5309

•Key Transit Terms

- **Subrecipient**
 - **Receives monies through pass-through agreement with direct recipient or designated grant recipient whereby original recipient remains responsible for compliance**
- **Grantee – Circular 5010.1D**
 - **Entity to which a grant is awarded directly by FTA to support a specific project in which FTA does not take an active role or retain substantial control**
- **Project Sponsor**
 - **Entity responsible for providing legal, technical and financial capacity to manage a New Starts, Small Starts or Core Capacity project**

•Urbanized Area Formula

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- **Designated recipients with legal authority to receive and dispense federal funds**
 - **Governors, local officials and public transit operators**
 - **Areas between 50,000-200,000 - Governor or Governor's designee is the recipient**
 - **Georgia has three cities above 50,000 with more intense transit service than their peers - Athens and Macon**
 - **They receive additional apportionment through the Small Transit Intensive Cities program - Athens (\$955,190) and Macon (\$383,076)**
 - **Areas above 200,000, funds dispensed to locally selected recipients**
 - **Provides funding for State Safety Oversight**
 - **Operating assistance for areas below 200,000**
 - **Limited operating assistance for areas above 200,000 which operate up to 100 buses in fixed route service during peak hour**

•FY 17 Funding Apportionments

| <i>Areas Above One Million</i> | <i>Amount</i> |
|--|----------------------|
| Atlanta, Georgia | \$70,676,948 |
| <i>Areas from 200,000-One Million</i> | |
| Georgia Statewide | \$771,641 |
| Augusta, GA-Richmond County, SC (Georgia Share) | \$2,159,541 |
| Chattanooga, TN-Georgia (Georgia Share) | \$771,641 |
| Savannah, GA | \$3,465,023 |
| Apportionments to Governor for Areas between 50,000-199,000 | |
| Albany, GA | \$1,300,618 |
| Athens-Clarke County, GA | \$2,676,781 |
| Brunswick, GA | \$657,347 |
| Cartersville, GA | \$630,459 |
| Dalton, GA | \$1,062,618 |
| Gainesville, GA | \$1,599,708 |
| Hinesville, GA | \$730,933 |
| Macon, GA | \$2,264,017 |
| Rome, GA | \$1,561,346 |
| Valdosta, GA | \$1,051,559 |
| Warner Robbins, GA | \$1,721,410 |

•State of Good Repair

- **High Intensity Fixed Guideway Program – 97.15%**
 - Must be “fixed guideway” to receive funding
 - Fixed Guideway = rail or Bus Rapid Transit with more than 50 percent of right of way (ROW) dedicated to transit use during peak hour
- **High Intensity Motorbus Program – 2.85%**
 - Bus Rapid Transit systems not operating in dedicated ROW
 - May share lane with other High Occupancy Vehicles (HOVs)
 - May share a “HOT lane” if “owner” allows transit use and other HOVs ride for free
 - Monies may not be used to maintain or rehabilitate HOV lanes

•State of Good Repair (cont.)

- **Transit Asset Management**
 - FTA has defined “state of good repair”
 - Regulation sets standards for measuring condition of capital assets
 - Establishes performance standards for state of good repair with each transit agency required to set targets
 - Transit agencies will be required to report condition of assets to the National Transit Database (NTD)
 - Condition of their system and any change in the condition
 - Targets are set and progress towards meeting those targets measured

•FY 17 Apportionments

| | High Intensity Fixed Guideway | High Intensity Motorbus |
|--------------|----------------------------------|----------------------------|
| Atlanta, GA | \$48,969,526 | \$4,110,776 |
| Savannah, GA | \$135,243 | |

Enhanced Mobility for Seniors/ Persons with Disabilities

- **Eligible Activities**
 - 55% for capital projects to meet needs of seniors
 - 45% for transit projects to provide access to service or exceed ADA
- **Funding**
 - 60% to designated recipients in urbanized areas (above 200,000)
 - 20% each to states for small urbanized area and for rural areas
- **Eligibility**
 - Operating assistance – 50% federal share
 - Capital projects match – 80% federal share

•FY 17 Apportionments

| | |
|---|-------------|
| <i>Areas above 200,000 in Population</i> | |
| Atlanta, GA | \$3,006,156 |
| Chattanooga, TN-GA | \$402,526 |
| Columbus, GA-AL | \$251,922 |
| Savannah, GA | \$212,827 |
| <i>Amounts to Governor for Areas 50,000-199,000</i> | |
| Georgia | \$1,485,755 |
| <i>Amounts to Governor for Areas less than \$50,000</i> | |
| Georgia | \$1,937,018 |

•Rural Formula

• Rural Area Formula

- States, local governments, and providers of rural transit services
- Rural area = less than 50,000 people
- Incorporates rural transit, tribal discretionary grant programs, Rural Transit Assistance Program and Appalachian Development Public Transportation Assistance
- Federal share is 80% for capital and 50% for operating assistance
- Includes planning, capital, operating, job access and reverse commute and acquisition of public transportation services

•FY 17 Apportionments

| | |
|--|---------------------|
| Rural Transit/High Intensity & Growing States Program | \$21,857,873 |
| Technical Assistance and Training for Rural Areas | \$343,297 |
| Appalachian Development Public Transit Assistance | \$592,000 |

•Bus and Bus Facilities

- **Formula Program**
 - **First \$65.5 million allocated with each state receiving \$1.75 M with remaining \$356.6 M allocated based on population, vehicle revenue miles and passenger miles**
- **Discretionary program - \$226 million in FY 17**
 - **Condition of assets and and age of fleet**
 - **Awarded annually on a competitive basis**
 - **FTA issued Notice of Funding Opportunity - July 12, 2017**
- **Low and No Emission Buses - \$55 million annually**
- **Federal match is 80 percent**

•FY 17 Apportionments

| | |
|--|-------------|
| <i>Areas Above 200,000 in Population</i> | |
| Atlanta | \$5,184,400 |
| Chattanooga, TN-GA | \$350,796 |
| Savannah | \$339,346 |
| <i>Amounts to Governors for Areas between 50,000 and 199,000</i> | \$1,223,234 |
| <i>Amount to States</i> | \$1,750,000 |

•Pilot Program for Bus Acquisition

- Allows States or nonprofit entity to pool monies to enter into an agreement with a vendor(s) to purchase rolling stock**
 - Intended for areas between 200,000-999,000 in population**
 - Allow nonprofit entities to perform this activity for two years and up to three one year option years**
 - Expected to issue a solicitation within sixty days of being selected**
 - FTA seeking expressions of interest by nonprofits by October 23, 2017**

•Capital Investment Grants

- Large discretionary competitive grant program managed by FTA
- New Starts - Fixed Guideway Projects exceeding \$300 million in total cost
 - Federal share usually 50 percent
 - Projects in excess of \$2 billion receive less than 50 percent
- Small Starts - Projects less than \$300 million in total cost
 - Federal share is capped at \$100 million
- Core Capacity
 - System at or near capacity within five years
 - Project must increase capacity by ten percent

•Congestion Mitigation and Air Quality

- **Flexible formula program with set aside for Transportation Alternatives**
- **Must contribute to attainment or maintenance of air quality standard or effectiveness in reducing air pollution**
- **Eligible Projects:**
 - **Traffic monitoring or control facilities**
 - **Transit capital projects**
 - **Bicycle/Pedestrian projects**
 - **Projects that shift demand to off-peak hour**
 - **Facilities serving electric or natural gas-fueled vehicles**
- **Monies are frequently flexed to transit**

•Surface Transportation Program

- **Block Grant program**
- **Share of local monies starts at 51 percent and grows to 55 percent by 2020**
- **Types of Eligible Activities**
 - **Transit capital projects**
 - **Carpool projects, fringe and corridor parking facilities**
 - **Transportation Alternatives is a set aside in the program**
- **Surface transportation planning**
- **Can be flexed from highway program to transit**

• **Transportation Investment Finance and Innovation Act (TIFIA)**

- **Provides credit assistance to eligible surface transportation projects, including highways and transit**
 - **Secured Loans – direct loans with flexible repayment terms and providing combined construction and permanent financing – up to 49% of project cost**
 - **Loan Guarantees – full-faith and credit loan guarantees by Federal government to institutional investors – up to 49% of project cost**
 - **Lines of Credit – contingent sources of funding in form of loans that may be drawn down during first ten years of construction – up to 33% of project cost**
 - **Master Credit Agreements – contingent commitment of future TIFIA assistance for a program of projects secured by a common revenue pledge**
- **Must be repaid through dedicated funding sources that secure the obligation, such as tolls, user fees or payments**
- **Eligibility threshold lowered to \$10 million for station area transit projects**

•TIFIA (cont.)

- Repayment of a loan may begin five years after substantial completion of project, and must be fully repaid within 35 years
- Application Process –
 - Submit letter of interest (LOI) using the form available on TIFIA's website
 - Describe project location, purpose and cost
 - Outline of project financial plan, including requested assistance and proposed obligor
 - Provide status of environmental review
 - Provide information regarding satisfaction of TIFIA eligibility requirements
 - DOT will review LOIs and request further information as necessary
 - Upon completion of the review and a determination of eligibility, DOT will invite an application for credit assistance

•Railroad Rehabilitation and Improvement Financing (RRIF)

- **\$35 billion is available for loans and loan guarantees over life of FAST Act**
- **Eligible Activities**
 - **Acquire, improve or rehabilitate intermodal rail equipment or facilities**
 - **Refinancing outstanding debt**
 - **Develop or establish new intermodal or railroad facilities**
- **Can fund up to 100 percent of a railroad projects**
- **Repayment period up to 35 years and interest rates at Federal interest rate**
- **Railroads, State and local governments, government-sponsored authorities and corporations, joint ventures involving one railroad**

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• *Where Policy and Project Development Intersect*